

Title : *Emerging Problems of Agricultural Marketing in Karnataka*
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An Overview

In this inter-state comparison of the post-independence performance of agricultural sector, Karnataka has always stayed slightly above the country average. This is a commendable performances on the background of the constraints faced by the State in terms of vast rainfed area and meagre irrigation facilities. In addition to this the cropping pattern of Karnataka is characterised by large number of crops starting from the spices grown in the coastal region to the inferior millets in the northern and southern parts of the State. The agricultural economy of the State thus faces multifaceted problems which begin with the proper production process, sustainable development and lead to a proper marketing strategy. Sizable contribution of commercial crops make this problem more acute.

Agricultural marketing problems include a large number of activities beginning from the input purchase and going through storage, transport, processing, administration to the consumer organisations. The severity of the problems involved is mainly due to six major factors. Firstly, the number of the commodities available for market is quite large but the quantity brought to the market by each individual is not sufficient for allowing him to bargain for a good price. The problem is caused due to the subdivisions of holdings and high density of small farms. Secondly, except some rare instances, these small producers do not form a group on co-operative basis, to market their products. Thirdly, the domination of foodgrains in the agricultural markets also leads to the phenomena of 'distress sale' as well as 'negative marketable surplus'. The behaviour of marketed surplus is always affected by these two factors. Fourthly, the density of regulated rural markets in the country and especially in the central India is very thin and thus forces large transportation cost on the producers. Fifthly, the role of middleman in the marketing of agricultural commodities is quite significant. This distorts the efficiency parameters as well as depresses the prices received by the farmers. Lastly, the agricultural produce markets face the problem of seasonality and storage of perishable commodities. A large number of small and marginal farmers market small quantities during harvesting season, when the prices are depressed. It is quite obvious that if for the same product, one group of farmers receives lower prices as against the other (obviously the group of large farmers having storage facility as well as time to wait for good prices), then the result would be inequitable net returns only due to marketing. In other words, the advantage gathered out of higher productivity per hectare on small/marginal farms is fettered away by the seasonality and/or presence of middleman.

In Karnataka the density of the marketing infrastructure is not really sufficient to meet the needs of the sector. Projections of crop production for main crops of the State and resultant requirement indicates that the shortfall is of the order of more than 30 per cent. The density of markets is thin in some districts as compared to the others. The coastal districts of Karnataka, Dharwad